

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

Action Dates: 7/10/88 &
8/10/88

For Information Only

DEPARTMENTAL PERSONNEL MANUAL

DPM BULLETIN NO: 831- 17

DATE: MAY 18 1988

SUBJECT: Evaluation of the Timeliness of Processing
Retirement Actions

About 2 years ago, we issued DPM Bulletin No. 831-13, Processing Retirement Actions, because of serious concerns about the Department's timeliness in submitting separated employee records to the Office of Personnel Management (OPM) and the resulting delays to the retirement benefits adjudication process at OPM. Potential serious financial strain for our former employees was of paramount concern. The purpose of that DPM Bulletin was to bring this problem to your attention, to provide you with measures you should take in your own personnel office to effectively and efficiently process separation actions if you were not already doing so, and to allow us to monitor submissions using our own data rather than OPM's.

Due to the limited scope of the information we collected from you at that time, no conclusive judgments could be made about the Department's late submission of separated employee records. However, there was a slight improvement in the timeliness of forwarding information to OPM during the brief period of the evaluation.

Unfortunately, OPM's current data indicate that the improvements were not lasting, and we are no better off today than we were two years ago. In fact, the situation Government-wide has deteriorated to the point that the Director of OPM has written to Department Heads about the delays in retirement processing. A copy of her memorandum is attached for your information.

Filing Instructions: File after FPM Chapter 831 Bulletins

Bulletin Expires: Upon Notification

Distribution: Personnel Council Members

OPI: M-17, Smith, 366-4140

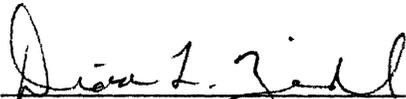
With all of these factors in mind, we are undertaking an in-depth study to determine what common problems the Department is facing in processing retirement actions of employees and what can be done to correct those problems. We know you are as equally concerned about this matter as we are, and your cooperation is essential to finding meaningful solutions.

As a beginning to this project, we ask for your participation in two areas. First, we are attaching a copy of the steps to be followed in processing retirement actions (Attachment 1). These are the same steps previously issued in DPM Bulletin 831-13, and we believe if they are followed judiciously by your personnel office, a marked improvement in processing timeliness will occur. We ask that you make a point of distributing these steps to those employees on your staff who are involved in processing retirement actions, and that you insist these steps be followed.

Second, we must collect some data on voluntary retirements from you for two months to evaluate the retirement processing cycle. We will also collect data from the payroll office which should allow us to track actions from the time they enter your personnel office until the time they are forwarded to OPM. The data is to be collected monthly according to the format in Attachment 2. Reports are due July 10, 1988 for the month of June and August 10, 1988 for the month of July. Please send them to: Terry Smith, M-17, Room 9107.

Shortly after we have analyzed the data, we will share it with your Retirement Officers during the regular meetings we are already holding with them. The purpose will be to discuss some of the common problems and to collectively develop acceptable solutions to solving them.

If there are any questions about this issue, please contact Terry Smith of the Labor and Employee Relations Division (M-17). Terry can be reached on 366-4140.


Director of Personnel

Attachments

ATTACHMENT 1 TO DPM BULLETIN NO.

831-

STEPS FOR PROCESSING RETIREMENT ACTIONS

- All retirement actions must be entered into CPMIS as early as possible, and the SF-50s must be distributed as soon as they are produced by the personnel system. In those few instances when a person may decide not to retire at the last minute, such actions can be "backed out" of both the payroll and personnel systems.
- All supporting forms and documents (not the SF-50) specified in the CSRS Application for Retirement, SF-2801, or the FERS Application for Immediate Retirement, SF-3107, should be forwarded directly to the CUPS Operations Branch, AAC-25, not to the servicing payroll office. Use either of the addresses shown below, as appropriate.

U.S. Postal Service address:
DOT/FAA - AAC-25
P.O. Box 25082
Oklahoma City, OK 73159

Non-Postal Service address:
Mike Monroney Aeronautical Center
Room 124, Multipurpose Building
6500 South MacArthur
Oklahoma City, OK 73125

- Do not send any supporting forms and documents to your servicing payroll office as this only delays the submission of forms to the CUPS Operations Branch, AAC-25. The only forms sent to the servicing payroll office are the SF-50, the Notice of Change in Health Benefit Enrollment, SF-2810 (Payroll and Insurance Carrier copies), and the Agency Certification of Insurance Status, SF-2821. Retirement forms should be sent express mail or by the most expeditious delivery method available.
- Do not delay sending supporting forms and documents you have because all of them have not been received. The process of verification and certification can begin in the CUPS Operations Branch, AAC-25, while awaiting the remaining documents. Whatever documents have been received in the personnel office should be forwarded to the CUPS Operations Branch by the effective date of the retirement action.
- Personnel specialists and retirement counselors in employing offices should be aggressive in informing employees of the importance of completing and returning required documents as soon as possible. Personnel offices should institute systematic follow-up procedures to obtain missing documents.



UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON, D.C. 20415

Office of the Director

MAY 4 1988

MEMORANDUM FOR HEADS OF DEPARTMENTS AND AGENCIES

FROM: *Constance Horner*
CONSTANCE HORNER
DIRECTOR

SUBJECT: Submission of Retirement Records to OPM

Many Federal employees who file for retirement benefits are having to endure unacceptably long periods between the cessation of pay at their employing agencies or departments and their entrance onto OPM's retirement rolls. The cause of such delays may be found either in the agencies' tardiness in forwarding the necessary records to OPM or in OPM's claims adjudication system. (Sometimes both are at fault.) The purpose of this letter is to communicate the actions we have taken to improve our performance in timely processing of claims and to urge you to make similar improvements in the development and submission of the necessary supporting documentation.

Recent legislative changes have significantly affected OPM's adjudication processes. Because of the Alternative Annuity provisions of P.L. 99-335, OPM must now calculate the benefit amount both with and without the alternative annuity, allow the retiree time to elect the type of annuity he wants to receive, and then complete adjudication of the case. Thus, our processing time for the vast majority of cases has been permanently lengthened.

In order to prevent any financial hardship that might occur during the time required for adjudication, we have adopted a policy of making interim, estimated payments to all retirees who are clearly entitled to benefits. These payments generally equal 80 to 90 percent of the final, monthly annuity. We have also hired additional staff and authorized extensive overtime to reduce our overall processing times to the minimum possible. Interim payments are currently authorized in 95 percent of retirement cases within 12 to 14 calendar days after we receive the application and accompanying documentation from the employee's agency. Check processing by Treasury and delivery by the Postal Service usually require another 8 to 10 days for a total of 20 to 24 days for the receipt of the first retirement check.

However, while we have made great progress in expediting the adjudication of retirement cases, we cannot even begin our work until the agency's part of the process is completed. Indeed, we are not even aware that the employee has retired. Agencies are responsible for developing and forwarding to OPM the records necessary to initiate the retirement claim and support an adjudicative decision. Thus, the timeliness and quality of agency submissions is critical to the amount of time it takes for a retiree to receive his or her first annuity payment. It is this part of the process that must now be improved if unacceptably long delays are to be avoided.

Federal Personnel Manual guidance states that the employee's individual retirement records should be closed out and sent to OPM no later than five days after the date of the last pay check. However, we generally do not consider submission of records to be untimely if they are received within 30 days of the employee's separation. Our most recent statistics on the timeliness of agency submissions to OPM show that Government-wide, only 45 percent of retirement applications are received within 30 days of the employee's separation, 29 percent are received within 31 to 60 days, and 26 percent are received over 60 days after separation. Thus, even if a retiree could be assured of receipt of the first retirement check no later than 24 days after OPM begins its work, the total time from date of separation to the receipt of that check may be unacceptable if the agency submission of the records is untimely. Because of agency slowness in filing, based on these statistics, 26 percent of the people would be getting their first check more than 84 days after separation from service. This is unacceptable.

In addition to timeliness, the quality of the documentation submitted by the agency directly affects the length of time it takes OPM to authorize interim retirement payments or adjudicate the claim. If retirement data or documents are missing, our staff may need to contact the agency to develop the necessary information before authorizing payment of the first retirement check or taking final action to process the claim. While improvements have been made, only 50 to 52 percent of retirement claims that OPM now receives are complete.

For the past year, we have been providing Directors of Personnel with quarterly reports outlining the Government-wide and individual agency statistics on the timeliness of record submissions. We have also communicated our concerns to the Interagency Advisory Group Committee on Retirement, which is comprised of the headquarters retirement counselors for

each agency. While a few agencies have clearly improved their performance, it has not been enough to affect the Government-wide timeliness of submissions or to reduce the significant numbers of retirees adversely affected by delays in submissions.

Given the nature of retirement processing, both your personnel and payroll offices have significant roles to play in submitting retirement records to OPM. Therefore, if you have not already done so, I strongly recommend that you review your internal retirement processing activities with a goal of improving the timeliness and quality of agency submissions. We think an attainable standard is 90 to 100 percent submissions of retirement claims within 30 days from the date of separation. This would allow the vast majority of retirees to receive retirement payments within five to six weeks after separation instead of the three to four months that too many people are now experiencing.

We will continue to provide your Directors of Personnel with statistics on the timeliness of Government-wide and your individual agency submissions. We fully expect to see significant improvements. I am sure you agree that Federal employees have every right to expect, and even to demand, that their transition into retirement not be marred by economic hardships caused by indifference or inattention on the part of the Government agencies they have served so well.

ATTACHMENT 2 TO DPM BULLETIN NO. 831-

VOLUNTARY RETIREMENT ACTIONS,
NOAC 302, FOR THE MONTH OF
1988

RETIREE'S NAME	(a)	(b)	(c)	(d)	(e)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
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13.					
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15.					

(Use another sheet, if necessary)

Column Legend:

- (a) Date SF-52 received in personnel office
- (b) Date action entered in CPMIS (as shown in block 38B of the SF-50)
- (c) Effective date of action
- (d) Date SF-50 sent to payroll office
- (e) Date SF-2801 or SF-3107 sent to AAC-25

Administration

Contact

Telephone